

Internal Revenue Service, Treasury

§ 48.4041-17

shall be in substantially the following form:

EXEMPTION CERTIFICATE

(For use by States and local governments. (section 4041(g)(2) of the Internal Revenue Code).)

Date _____, 19 ____.

I hereby certify that I am _____ of _____ (State or local government) that I am authorized to execute this certificate; and that

(Check applicable type of certificate)

_____ the liquid or liquids specified in the accompanying order, or on the reverse side hereof, (or)

_____ all orders placed by the purchaser for the period commencing _____ (Date) and ending _____ (Date) (period not to exceed 12 calendar quarters) are, or will be, purchased from _____ (Name of vendor) for the exclusive use of _____ (Governmental unit) of _____ (State or local government).

I understand that the exemption from tax in the case of sales of liquids under this exemption certificate is limited to the sale of articles purchased for the exclusive use of a State, etc. I understand that the fraudulent use of this certificate for the purpose of securing this exemption will subject me and all parties making such fraudulent use of this certificate to a fine of not more than \$10,000, or to imprisonment for not more than 5 years, or both, together with costs of prosecution.

Signature _____

Address _____

[T.D. 7536, 43 FR 13516, Mar. 31, 1978. Redesignated by T.D. 8066, 51 FR 14, Jan. 2, 1986]

§ 48.4041-16 Sales for export.

(a) *General rule.* In order for a sale to be exempt from tax under section 4041 as a sale for export, it is necessary that the liquid be (1) identified as having been sold by the retailer for export and (2) exported in due course. To establish exemption from tax in the case of a taxable article for export, it is necessary that the retailer maintain adequate records and have in his possession documentary evidence showing that the article was so sold.

(b) *Proof of exportation.* Exportation may be evidenced by any one of (1) a copy of the export bill of lading issued by the delivering carrier, (2) a certificate by the agent or representative of the export carrier showing actual ex-

portation of the liquid, (3) a certificate of landing signed by a customs officer of the foreign country to which the liquid is exported, or (4) a statement of the foreign consignee showing receipt of the liquid.

(c) *Shipment to possessions of the United States.* The same provisions as relate to sales for export and proof of exportation will apply to sales for shipment to a possession of the United States, within the meaning of § 48.0-2.

[T.D. 7536, 43 FR 13516, Mar. 31, 1978. Redesignated by T.D. 8066, 51 FR 14, Jan. 2, 1986]

§ 48.4041-17 Tax-free retail sales to certain nonprofit educational organizations.

(a) *In general.* The taxes imposed by section 4041 do not apply in the case of a sale of any liquid by any person to a nonprofit educational organization (as defined in paragraph (b) of this section) for its exclusive use, or in the case of the use of any liquid by such an organization. In the case of a school operated as an activity of an organization described in section 501(c)(3), as referred to in paragraph (b) of this section, the liquid must be sold for the exclusive use of the school, or the liquid must be used exclusively by the school.

(b) *Definition of nonprofit educational organization.* For purposes of section 4041(g)(4) and this section, the term "nonprofit educational organization" means an organization described in section 170(b)(1)(A)(ii), that is exempt from income tax under section 501(a), whose primary function is the presentation of formal instruction and which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.